

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 XMB-02 FRB-03 CIAE-00 INR-07 NSAE-00

SAJ-01 EB-07 TRSE-00 STR-04 CIEP-01 OMB-01 SS-15

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 562

INFO USDOC WASHDC

AMEMBASSY OTTAWA

C O N F I D E N T I A L MOSCOW 7277

E.O. 11652: GDS

TAGS: ETRD, EEWT, EFIN, UR, US

SUBJECT: AWARD OF HEAVY TRUCK CONTRACT DEPENDS UPON CREDIT
AVAILABILITY

USDOC FOR BEWT/PLANAGAN

1. COMMERCIAL OFFICE HAS LEARNED FROM SOURCE IN MINISTRY OF
COAL INDUSTRY THAT COMPETITION FOR DOLLARS 100 MILLION CONTRACT
FOR HEAVY (175 TON) DUMP TRUCKS TO BE USED AT SOUTH
YAKUTSK COAL PROJECT HAS BEEN NARROWED DOWN TO GM (TEREX) AND
UNIT RIG. TEREX TRUCKS WOULD BE PRODUCED IN CANADA AND
WOULD BE ELIGIBLE FOR FINANCING UNDER DOLLARS 500 MILLION
CREDIT LINE ANNOUNCED DURING RECENT SOVIET-CANADIAN TALKS
IN OTTAWA.

2. ACCORDING TO COAL MINISTRY SOURCE, SOVIETS STRONGLY FAVOR UNIT
RIG TRUCKS ON TECHNICAL GROUNDS, AND MINISTRY HAS BEEN PUSHING
HARD FOR AWARD OF CONTRACT TO UNIT RIG. HOWEVER, AVAILABILITY
OF CANADIAN CREDITS MAKES IT LIKELY THAT TEREX WILL RECEIVE ORDER.

3. COMMENT: ALTHOUGH TWO U.S. COMPANIES ARE INVOLVED IN THIS
COMPETITION, ECONOMIC BENEFITS FROM U.S. POINT OF VIEW WOULD
BE MUCH GREATER IF TRUCKS WERE MADE BY UNIT RIG IN TULSA RATHER
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THAN BY TEREX IN LONDON, ONTARIO. IF TEREX OBTAINS ORDER,

THIS WILL BE GOOD EXAMPLE OF HOW LACK OF OFFICIALLY-
SUPPORTED CREDIT FACILITY IN U.S. IS CAUSING SOVIET BUSINESS
TO GO TO OTHER COUNTRIES. USDOC/BWET/TDAD MIGHT WISH TO ADVISE
UNIT RIG OF INFORMATION PROVIDED BY MINISTRY OF COAL INDUSTRY.
PERHAPS UNIT RIG CAN ARRANGE FOR PRIVATE FINANCING WHICH WOULD
MAKE ITS OFFER MORE ATTRACTIVE.
STOESSEL

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Message Attributes

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Concepts: TRUCKS, INDUSTRIAL PLANTS
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Draft Date: 28 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Document Unique ID: 00
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